

NSC BRIEFING

25X1

25 September 1958

MIDDLE EAST

Lebanon

- I. President Shihab's appointment of Rashid Karama, rebel leader in Tripoli, as prime minister is apparently a major concession to the opposition and to Nasir.**
 - A. Karama will also act as defense and interior minister.**
 - B. Several active opposition members are in the cabinet, and pre-Chamoun forces have evidently been almost completely eclipsed.**
 - C. The Damascus press predicted the exact composition of the new Lebanese cabinet on Tuesday, naming the men. This fact will tend to give it a "made in Cairo" label and increase further pre-Chamoun and Phalangist opposition.**

-
- E. The security situation has deteriorated. The fighting between Christians and Moslems yesterday threatens the religious balance in Lebanon, and the Moslems will probably retaliate against their Phalangist attackers.**
 - F. Should violence continue, the ability of the security forces to control the situation will be lessened. Security personnel may divide along religious lines.**

State Dept. review completed

25X1

25X1

25X1

Approved For Release 2004/07/08 : CIA-RDP79R00890A001000050029-0

Approved For Release 2004/07/08 : CIA-RDP79R00890A001000050029-0

25X1

Iraq

III. Internal maneuvering for power in Iraq continues as Premier Qasim strives further to downgrade pro-Nasir vice-premier Arif, who was removed as deputy army commander two weeks ago.

25X1

25X1

25X1

EAE

IV. Recently announced plans to centralize in Cairo the planning, coordination, and execution of EAE policies probably presage a move to strengthen Nasir's control over Syrian affairs.

A. Even that degree of autonomy retained by the Syrian region following union with Egypt last February apparently allowed too much freedom to groups which resented Egyptian economic and political domination.

B. Nasir presumably fears the natural attraction of Iraq for Syria and, in curbing the activities of Syrian politicians, will seek to prevent political cooperation between the two areas.

Algerian Rebel Government

V. A Provisional^a Government of the Algerian Republic, which was proclaimed by the Algerian rebels in Cairo on 19 September, has been recognized by all Arab League members, except Lebanon, and by Kuwait. Last Monday Communist China extended recognition.

25X1

- A. The government is headed by Ferhat Abbas, a relatively moderate figurehead. Rebel leaders told UN officials in Cairo and Tunis that the regime was proclaimed in an effort to persuade Algerian Moslems to boycott the French constitutional referendum. Voting in Algeria will take place tomorrow, Saturday and Sunday.
- B. These rebels also said that the question of where their capital would be and the question of membership in the Arab League would be discussed at their first "cabinet" meeting in Cairo tomorrow.
1. They did not rule out Cairo as a possible capital.
 2. Arab League spokesmen have said that they would accept the Algerian government as a member.
 3. The rebels indicated they would continue their policy of accepting only token Soviet bloc offerings as long as weapons and ammunition were available from Arab sources.

VI. France has reacted rather calmly to the Algerian rebel moves, which included a declaration of a state of war with France. This suggests Paris expects this move to have little impact on the constitutional referendum in France and its possessions or on the immediate Algerian situation. De Gaulle has sought to keep the Algerian problem as such apart from the referendum campaign.

French Constitution

VII. Approval of De Gaulle's constitution is expected, probably by about 60 to 65 percent of those voting in metropolitan France.

- A. The new power of the executive called for in the new constitution has aroused some apprehension that rightist and military elements may exert undue influence.
- B. However, many critics seem resigned to its adoption, and they hope to amend it later to restore some of the legislature's reduced power.
- C. Active opposition in France comes largely from the Communists who normally poll about 25 percent of the electorate. Other negative votes will come from minority left-wing Socialists, from the left-wing group of Francois Mitterand, from Mendes-France's branch of the Radical Socialists, and from some rightist elements, including Pierre Poujade.
- D. In Algeria, which is legally part of metropolitan France, voters cannot opt for independence. In any case a favorable vote there will be guaranteed by the Army.

French Tropical Africa

VIII. A negative vote on the constitutional issue is expected in one or more tropical African territories. These areas can thus choose immediate independence.

A. Guinea, one of the eight territories of French West Africa, seems virtually certain to choose independence in line with the recommendation of its leftist-oriented African premier, Sekou Toure.

1. Niger, another of the West African territories, is also likely to reject the De Gaulle draft, but the outcome there is not certain.

2. Certain other areas--including French Somaliland in East Africa--may possibly follow suit.
- B. Paris is apparently prepared to honor De Gaulle's commitment of last month to permit the peaceful secession of any territory voting against the new constitution.
1. Toure's confident statement that Guinea will consider itself fully independent as of 29 September may lead to recognition by some governments. The UAR and Sino-Soviet bloc countries are likely to take advantage of this opportunity to increase their influence in West Africa.
- C. An unresolved question is whether France will be willing to continue the economic aid programs on which all its tropical African territories except the Ivory Coast depend heavily. De Gaulle hinted strongly last month that seceding areas would lose these subsidies, but no final decision has yet been taken.
1. Toure is already looking ahead. He has proposed post referendum agreements with France whereby Paris would handle Guinea's defense, foreign affairs, and finance. He also pledged to respect international commitments affecting Guinea, especially those involving foreign investments. (A US firm--Glin Mathieson--is a major participant in a \$135,000,000 project to develop Guinea's power and bauxite resources. ~~French, British, Swiss, and American~~ French, British, Swiss, and ~~American~~ interests have raised the money, and con-

Approved For Release 2004/07/08 : CIA-RDP79R00890A001000050029-0

struction is ready to be started. This is the first
in a series which ^{would} eventually total \$650,000,000.

2. France is also anxious to find a formula which will preserve a close association with any new states. However, some French leaders fear the whole new community concept may be undermined if other territories claim independence, and they urge that De Gaulle's threat of cutting off financial aid be carried out.

25X1

25X1

NSC BRIEFING**24 September 1958****Kuwait**

1. Kuwait, largest Middle East oil producer, also appears headed toward closer relations with Nasir.
 - A. Deputy Kuwaiti ruler, Abdulla Mubarak, declared in Cairo on 24 September that Kuwait was prepared to join the Arab League and contribute to the Arab Development Bank. Bank could turn out to be a veiled means for extracting extortion payments from Kuwait and Saudi Arabia, since contributions would be scaled according to income.

NSC BRIEFING**24 September 1958****Saudi Arabia**

- I. Saudi Crown Prince Fayal has taken a noticeably harder line toward American policy interests in recent talks with Ambassador Heath.**
- A. Fayal's frustrations with budgetary problems has led him to charge that the Arabian-American oil company is indifferent to Saudi financial difficulties.**
- B. Fayal, apparently reflecting the influence of his pro-Egyptian petroleum advisor, hinted to Ambassador Heath that action to curtail Aramco's rights may be under consideration.**
- C. The ambassador also drew the inference that some recognition of the Soviet bloc is being considered. This would be in line with Fayal's intention to have a "neutral" foreign policy for Saudi Arabia.**

25X1

- E. Closer Saudi relations with the UAR may be developed at the meeting of the Egyptian-dominated Arab League scheduled for 1 October.**

25X1

25X1

Approved For Release 2004/07/08 : CIA-RDP79R00890A001000050029-0

Approved For Release 2004/07/08 : CIA-RDP79R00890A001000050029-0